

REMARKS

Claims 1-6 remain pending after this amendment.

Claims 1 and 6 are in independent form.

35 USC 102

Applicants submit that the structures as now claimed are not anticipated under 35 USC 102.

The principal difference between the device disclosed in Urquhart et al. and the invention is that the former is a smart card dispensing and encoding device which stands alone and does not transact with any other distributing machinery.

By contrast, the claimed system operates in combination with a good or service dispensing installation, and is used to accept payment for food or beverage items as clearly recited in Claim 1. Support for the matter added to Claim 1 and for Claim 6 can be found in the Specification on page 2, lines 5-7; page 3, line 14; and page 16, lines 1-4.

Moreover, the invention accepts only a smart card supplied by the purchaser and not a blank one stored in the system.

In regards to Claim 4, the reference does not disclose a "vendor account clearing house." The only banking transaction disclosed therein is a verification that the purchaser's bank account hold enough money to cover the proposed acquisition of a new smart card or the re-loading of a previously acquired one.

In regard to Claims 5 and 6, the reference does not disclose debiting a vendor's account with the amount of currency deposited in the device, nor does it disclose crediting that same vendor's account with the payment for the goods or services dispensed by the vendor's installation.

35 USC 103

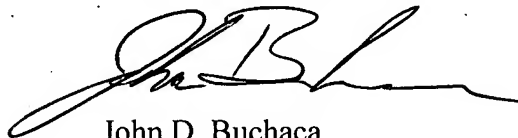
Applicants further submit that the above-described differences between the invention and the prior art are substantial and non-obvious.

Urquhart, et al. fails to appreciate the advantages of coupling the disclosed system with a good or service dispensing installation. The reference does not even consider using a smart card previously obtained from the system to purchase another one, albeit of a same or lesser value. A smart card can only be loaded with the monetary amount taken in currency form, but not debited, only a conventional credit card can be charged.

Also significant is the fact that the clearing house system of the invention turn the smart cards into universal cash card 3 that can be used in connection with a variety of good or service dispensing installations. There is not need to check the credit worth of the user by contacting a financial institution.

In view of the above, an early allowance of the pending claims is earnestly solicited.

Respectfully submitted,



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